

Introduced by Senator Ortiz

February 19, 2003

An act to add Article 3 (commencing with Section 127400) to Chapter 2 of Part 2 of Division 107 of the Health and Safety Code, relating to hospitals.

LEGISLATIVE COUNSEL'S DIGEST

SB 379, as introduced, Ortiz. Statewide health planning and development: hospitals: charity care policies.

Existing law provides for the Office of Statewide Health Planning and Development, which is charged with enforcement of various provisions of law relating to health facilities, including hospitals, as defined.

This bill would require each general acute care hospital, acute psychiatric hospital, and special hospital to develop a charity care policy, as defined, specifying the financial criteria and procedure used by the hospital to determine whether a patient is eligible for defined charity care, in accordance with requirements established by the office. It would require each hospital to perform various functions in this regard, including notifying patients of the hospital's charity care policy in a language-appropriate manner.

The bill would require the office to develop a uniform charity care application to be used by all hospitals, in consultation with interested parties.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



The people of the State of California do enact as follows:

SECTION 1. Article 3 (commencing with Section 127400) is added to Chapter 2 of Part 2 of Division 107 of the Health and Safety Code, to read:

Article 3. Charity Care Policies

127400. As used in this article, the following terms have the following meanings:

(a) “Charity care” means medical treatment and diagnostic services delivered by a hospital for which a third-party payer is not responsible and for which the patient has the inability to pay. Charity care shall not include bad debt, debt that has been referred to collections, contractual shortfalls from government programs, or care paid for by private third parties, except for copayments or deductibles, or both. Community benefits provided by private nonprofit hospitals pursuant to Article 2 (commencing with Section 127340) may include charity care as a benefit to the community.

(b) “Charity care application” means the uniform statewide charity care application developed by the Office of Statewide Health Planning and Development pursuant to Section 127415.

(c) “Charity care policy” means the financial criteria and the procedure used by a hospital to determine whether a patient is eligible for charity care pursuant to Section 127405, the process by which the hospital reviews its charity care decisions, and the reduced payment schedule adopted by the hospital.

(d) “Hospital” means any facility that is required to be licensed under subdivision (a), (b), or (f) of Section 1250.

(e) “Office” means the Office of Statewide Health Planning and Development.

(f) “Reduced payment schedule” means a hospital-determined payment schedule that is arranged with a person deemed eligible by the hospital for reduced cost care.

(g) “Uninsured” means a person who does not have health insurance and is not currently covered by any third-party payer program.

(h) “Underinsured” means a person whose deductibles, copayments, or medical or hospital bills after payment by

1 third-party payers exceed the patient's ability to pay as determined
2 in accordance with the hospital's charity care policy.

3 127405. Each hospital shall develop a charity care policy that
4 is in accordance with the requirements established by the office.

5 127410. (a) Each hospital shall provide patients with oral and
6 written notice of the hospital's charity care policy in accordance
7 with Section 1259 if clinically appropriate at the time of
8 admission, and during the discharge process, in a manner similar
9 to that required pursuant to Section 12693.30 of the Insurance
10 Code under the Healthy Families Program and consistent with the
11 requirements of state and federal law. All written correspondence
12 to the patient required by this article shall also be language
13 appropriate and shall be in accordance with Section 1259, the
14 relevant requirements of the Healthy Families Program, and
15 consistent with the requirements of state and federal law.

16 (b) A general description of the hospital's charity care policy
17 shall be clearly and conspicuously posted in locations that are
18 visible to the public, including, but not limited to, all of the
19 following:

20 (1) Emergency department, if any.

21 (2) Billing office.

22 (3) Waiting rooms.

23 (4) Any other location determined by the office to ensure that
24 all patients are informed of the policy and informed about how to
25 obtain a copy of the policy and related information.

26 (c) The general description described in subdivision (b) shall
27 include, but not be limited to, all of the following:

28 (1) A description of the types of services that are provided.

29 (2) A description of the financial criteria used to determine
30 charity care.

31 (3) Information about the hospital's reduced payment
32 schedule.

33 (4) A statement inviting comments and complaints regarding
34 the hospital's policy, including directions on how to submit
35 comments.

36 127415. The office, in consultation with interested parties,
37 shall develop a uniform charity care application to be used by all
38 hospitals. In developing the application, the office shall consider
39 whether the application used for the Medi-Cal program and the

- 1 Healthy Families Program can be used as or incorporated in the
- 2 uniform charity care application.

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